

# Senate Amendment 5206

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1 1 Amend Senate Joint Resolution 2010 as follows:  
1 2 #1. By striking everything after the resolving  
1 3 clause and inserting the following:  
1 4 <Section 1. The following amendment to the  
1 5 Constitution of the State of Iowa is proposed:  
1 6 The Constitution of the State of Iowa is amended by  
1 7 adding the following new sections to new Article XIII:  
1 8 ARTICLE XIII  
1 9 PEOPLE'S RIGHT TO VOTE ON TAX OR FEE INCREASES  
1 10 PEOPLE'S RIGHT TO VOTE ON TAX OR FEE INCREASES.  
1 11 SECTION 1. If all tax and fee increases adopted in a  
1 12 fiscal year would produce new annual revenue exceeding  
1 13 one percent of total state general fund revenue  
1 14 received in the preceding fiscal year, excluding  
1 15 transfers from other state funds, the increases shall  
1 16 be submitted to the electors, starting with the  
1 17 largest increase and including increases in descending  
1 18 order, except the remaining increases that total one  
1 19 percent or less. All increases of any one tax or fee  
1 20 shall together be regarded as one increase. An  
1 21 adopted tax or fee increase required by this article  
1 22 to be submitted to the electors shall take effect only  
1 23 if submitted to the electors at the next state general  
1 24 election and approved by a majority of the electors  
1 25 voting thereon.  
1 26 APPLICATION. SEC. 2. In this article:  
1 27 1. "Local governments" includes all political  
1 28 subdivisions.  
1 29 2. "Increase" includes, but is not limited to,  
1 30 imposing a new tax or fee; raising a rate or amount;  
1 31 repealing, reducing, or delaying an exemption,  
1 32 deduction, credit, exclusion, reduction, or indexing  
1 33 requirement; or broadening the base or scope of a tax  
1 34 or fee in any way.  
1 35 3. "Increase" includes legislation that allows or  
1 36 requires one or more local governments, with or  
1 37 without approval by local electors, to impose or  
1 38 increase any tax on income, sales, or property, but  
1 39 excludes legislation in which the only subject matter  
1 40 is establishment of the state percentage of growth for  
1 41 school foundation aid.  
1 42 4. "Increase" of property tax includes legislation  
1 43 that has the effect of reducing total state funds  
1 44 transferred to all local governments in a fiscal year  
1 45 in comparison with the preceding fiscal year, taking  
1 46 into account all legislation increasing or reducing  
1 47 such transfers.  
1 48 5. "Increase" of property tax includes legislation  
1 49 that has the effect of requiring local governments to  
1 50 incur aggregate net cost increases in a fiscal year,  
2 1 after deducting increased transfers of state funds for  
2 2 the express purpose of offsetting those cost  
2 3 increases. Such increased transfers shall be deducted  
2 4 under this subsection and not under subsection 4.  
2 5 6. "New annual revenue" means the estimated net  
2 6 increase over the fiscal year preceding adoption in  
2 7 total state general fund revenue produced by the total  
2 8 of all tax and fee increases adopted in a fiscal year,  
2 9 less estimated refunds payable as a result of the  
2 10 increases, all as estimated for the fiscal year in  
2 11 which all such increases are adopted, as if all such  
2 12 increases and refunds were fully effective and  
2 13 entirely implemented for that full fiscal year.  
2 14 Actual amounts, if known, shall be used instead of  
2 15 estimates. "New annual revenue" does not include  
2 16 revenue that the general assembly intends to  
2 17 appropriate for purposes of public safety or homeland  
2 18 security.  
2 19 7. "Adopted" or "adoption" means that after 2006,  
2 20 a bill has been passed and all requirements of article  
2 21 III have been met, so that the bill would become law

2 22 except for the requirements of this article.  
2 23 8. This article does not apply to taxes and fees  
2 24 subject to article VII, sections 5 and 8.  
2 25 EMERGENCY. SEC. 3. A temporary exception to the  
2 26 preceding requirements of this article shall be  
2 27 allowed only to this extent and only if all these  
2 28 conditions are met: (1) the Governor requests the  
2 29 General Assembly to adopt an emergency tax increase  
2 30 for only one specified fiscal year; (2) the request  
2 31 specifically states the nature of the emergency, the  
2 32 expenditures needed to respond to the emergency, and  
2 33 the proposed tax increase to pay for the emergency  
2 34 expenditures for that year; and (3) a law declaring  
2 35 an emergency and providing an emergency tax increase  
2 36 in accordance with the Governor's specific request is  
2 37 passed by a vote of two-thirds of all the members  
2 38 elected to each branch of the General Assembly and is  
2 39 approved by the Governor. Such law shall not be  
2 40 passed more than four months prior to the fiscal year  
2 41 to which it applies. Such law must be enacted prior  
2 42 to obligating any requested emergency expenditures.  
2 43 ENFORCEMENT. SEC. 4. Any citizen or taxpayer may,  
2 44 within two years after a tax or fee increase is  
2 45 adopted, bring suit to enforce compliance with this  
2 46 article. If no such suit is filed within the two-year  
2 47 period, the elector approval requirement for that tax  
2 48 or fee increase is negated. The Supreme Court shall  
2 49 have original jurisdiction of any such suit. The  
2 50 Supreme Court shall invalidate any increase which  
3 1 should have been, but was not, submitted to the  
3 2 electors as required by this article and shall order  
3 3 that the revenue collected in violation of this  
3 4 article be refunded or applied to reduce future taxes.  
3 5 A citizen or taxpayer who brings suit and prevails  
3 6 shall receive from the state the costs of the suit,  
3 7 including reasonable attorney fees.  
3 8 CONTINGENT EFFECTIVE DATE. SEC. 5. This article  
3 9 shall first take effect January 1 following the  
3 10 regular session of the General Assembly in which all  
3 11 of the following has occurred:  
3 12 1. The General Assembly fully funds all statutory  
3 13 obligations relating to kindergarten through grade  
3 14 twelve funding.  
3 15 2. The General Assembly fully funds all property  
3 16 tax credits provided by statute.  
3 17 3. The General Assembly fully funds the  
3 18 implementation of all state mandates on local  
3 19 governments or, in the alternative, the General  
3 20 Assembly repeals all state mandates on local  
3 21 governments that are not fully funded by the General  
3 22 Assembly.  
3 23 IMPLEMENTATION. SEC. 6. This article shall be  
3 24 interpreted and implemented to achieve its purpose to  
3 25 increase the electors' control of taxes and fees. The  
3 26 General Assembly shall enact laws to implement this  
3 27 article.  
3 28 Sec. 2. REFERRAL AND PUBLICATION. The foregoing  
3 29 proposed amendment to the Constitution of the State of  
3 30 Iowa is referred to the General Assembly to be chosen  
3 31 at the next general election for members of the  
3 32 General Assembly, and the Secretary of State is  
3 33 directed to cause it to be published for three  
3 34 consecutive months previous to the date of that  
3 35 election as provided by law.>

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